

From: DAlessandro.Jeffry
Sent By: Jeffry.DAlessandro@uscg.mil
To: Greg.Fife/R6/USEPA/US@EPA
Cc: Abramson.Jonathan
Subject: RE: A fund question SALT MINE SEEP
Date: 10/11/2012 12:49 PM

Hmmm well yes but it clearly paints a target on Texas Brine as the RP. John what do you think about this new info? The diesel may be OPA but the crude seep no... so it will get real sticky.

v/r

JD

-----Original Message-----

From: Fife.Greg@epamail.epa.gov [mailto:Fife.Greg@epamail.epa.gov]
Sent: Thursday, October 11, 2012 9:27 AM
To: DAlessandro, Jeffry
Subject: RE: A fund question SALT MINE SEEP

Yep, the salt mine owner, Texas Brine, is now arranging to sell the oil as a product.

Texas Brine has done quite a bit to respond. They tried to pick up the diesel that originally showed up, but when the sinkhole sloughed off a little more, and took a boat that a cleanup crew were in, they backed off.

Which is another point. Originally, the petroleum on the water in the sink hole was diesel. Diesel was used in the cavern to prevent the ceiling of the cavern from dissolving as they mined it. It was when diesel showed up that they knew it was the cavern involved.

Since there is diesel released, does that affect the ability to tap the fund?

From: "DAlessandro, Jeffry" <Jeffry.DAlessandro@uscg.mil>
To: Greg.Fife/R6/USEPA/US@EPA
Date: 10/11/2012 09:20 AM
Subject: RE: A fund question SALT MINE SEEP
Sent by: Jeffry.DAlessandro@uscg.mil

Someone needs to get a lease and recover the oil for \$\$:-)

First the owner of the land is obligated to respond if the oil is threatening the water. The State has authority as well they should step up and deal with it. Especially if it's a natural seep whereby the sink hole caused the exposure.

v/r

JD

-----Original Message-----

From: Fife.Greg@epamail.epa.gov [mailto:Fife.Greg@epamail.epa.gov <mailto:Fife.Greg@epamail.epa.gov>]
Sent: Thursday, October 11, 2012 9:09 AM
To: DAlessandro, Jeffry
Cc: Abramson, Jonathan
Subject: RE: A fund question SALT MINE SEEP

With Jon's comments about not going down the path in mind, I won't address all the questions. There is enough interest higher up and externally on EPA and the feds that we're having to explore this avenue. And you would think there would be other agencies who could respond. Some are, yet there are others who are keeping their distance.

It is complicated but they have explored and tested and come up with some answers. There have been gas bubbles from the area for many years, some say that the bubbles were there before any kind of intrusion by man. Yet, there were no oil seeps, at least not in the areas of concern. The salt cavern involved was use for salt mining, not gas storage. The cavern did not have any crude oil in it, until after the collapse. Allegedly, there was an error in the construction of the cavern, they may have extended it too close to the edge of the salt dome. The investigation included an observation well into the cavern. The sonar and other tests show that the cavern has collapsed. And thus, created the sinkhole. Crude oil flowed into the cavern, the estimate is 1500 BBL. The same crude, identified by lab analysis, has surfaced in the sinkhole. The crude is boomed off within the sinkhole. Rains cause the water to rise and force the oil into nearby navigable waters.

So, if not for the construction and failure of the cavern, no crude would have reached the surface.

There is a news article about the findings. Understand that it is a newspaper and not a scientific report, (they have confused a lot of things since the start). But it tells a few more details. I'll forward that right after this. I want to get the situation to you, there are a lot of "but what ifs" in this event.

Thanks

From: "DAlessandro, Jeffry" <Jeffry.DAlessandro@uscg.mil>



9544200

To: Greg Fife/R6/USEPA/US@EPA
Cc: "Abramson, Jonathan" <Jonathan.A.Abramson@uscg.mil>
Date: 10/10/2012 03:48 PM
Subject: RE: A fund question SALT MINE SEEP
Sent by: Jeffry.DAlessandro@uscg.mil

Can you show that is a fact? In other words the oil would have remained encased and they were not targeting the oil. So did they know the oil was there? We run into this all the time out west natural pressure pushes up the crude. So... did the company uncover a natural seep which is what I'm reading so far? If so, it's still a natural seep coming up out of the earth vs. a oil lease. You would have to show they somehow manipulated the project and caused the oil to be released like saltwater injecting, steam injection, etc... they inserted "pressure" vs. they just dug a hole and it came bubbling up. Salt caverns are a known place to find/speculate for crude oil. Do they have a lease did they own a lease? All things you should look into IMO. Did they in fact know the oil was there? Did they make a move to harness the crude oil. All things we need to know.

Greg I suppose you will have to provide a lot more details before I could tell you for sure.

v/r

JD

-----Original Message-----

From: Fife.Greg@epamail.epa.gov [mailto:Fife.Greg@epamail.epa.gov <mailto:Fife.Greg@epamail.epa.gov> <mailto:Fife.Greg@epamail.epa.gov> <mailto:Fife.Greg@epamail.epa.gov> >]
Sent: Wednesday, October 10, 2012 3:37 PM
To: DAlessandro, Jeffry
Cc: Abramson, Jonathan
Subject: Re: A fund question SALT MINE SEEP

Even with the man-made disturbance that caused the oil to surface?

Greg Fife
Sent using BlackBerry

----- Original Message -----

From: "DAlessandro, Jeffry" [Jeffry.DAlessandro@uscg.mil]
Sent: 10/10/2012 02:49 PM EST
To: Greg Fife
Cc: "Abramson, Jonathan" <Jonathan.A.Abramson@uscg.mil>
Subject: RE: A fund question SALT MINE SEEP

No if it's a natural crude seep the fund is not available. OPA Funds are for non natural events. If the crude was from a domestic oil lease yes. Naturally occurring seep no...

Hope that helps

v/r

JD

-----Original Message-----

From: Fife.Greg@epamail.epa.gov [mailto:Fife.Greg@epamail.epa.gov <mailto:Fife.Greg@epamail.epa.gov> <mailto:Fife.Greg@epamail.epa.gov> <mailto:Fife.Greg@epamail.epa.gov> >]
Sent: Wednesday, October 10, 2012 12:44 PM
To: DAlessandro, Jeffry
Subject: A fund question

Hey Jeff, I've got a question about the use of the fund. Its a site that is becoming more and more dire and with that, we, EPA, are getting pulled in. The site is Bayou Corne, in Assumption Parish, LA. There is a huge salt dome formation under that area and several caverns have been mined into it. Some are used for LPG, butane, and other storage. And some are just salt mines. Beginning sometime in May, there were bubbles seen in the area, natural gas bubbles. The original theory was the source was from a pipeline that was connected to one of the storage caverns. That theory gave way when a sinkhole opened up in August. It appears that one cavern may be the culprit. Some investigation has been done to support that.

The sinkhole is full of water, and crude oil is accumulating. The State just got the results of identification samples and it shows unadulterated crude oil, and it matches what has been found in the cavern. There are a lot of safety concerns about cleaning up oil in a sinkhole, especially when the walls keep sloughing off. They have already lost a boat that was tie to a tree that fell into the hole. Estimates are 2000 BBLs or more. There is some planning by the brine company about long term production of the crude but its the immediate response to it is the situation. There is navigable waters adjacent. While the crude has been boomed off, a boat that jumped the boom released the crude to the water.

Is the Fund appropriate source for funding for the support of the response?

Thanks
Greg Fife
214-789-2879